

Bank of Hawaii Equipment Leasing

PV Leasing Lessons Learned

Jaewon “Jay” Kwak
Vice President
and Senior Lease Officer
808-537-8815
jkwak@boh.com

 **Bank of Hawaii**
Corporation

Economics of PV (Commercial Systems)

- **Highly dependant on both state and federal government subsidies**
 - 30% federal tax credit; 35% state credit
- **Also dependant on “net metering”**
 - Ability to sell power back into the utility’s “grid” and receive credit for energy generated but not used
 - Have not seen large benefits for commercial users

 **Bank of Hawaii**
Corporation

Leasing Example

100 kW utility connected PV system
For Profit w/ State and Federal Credits
Assuming system cost of \$1,000,000 (\$10.00/W installed)
Monthly payments of \$4450(+/-) 7 years
Monthly payments of \$3480(+/-) 10 years
*assumes 35%state, 30%federals, 5 year macrs, cof plus 2%
Average daily PV energy = Array Rated Capacity(100 kW) x average
sun hours (4.5) x efficiency factor (.8) = 360 kW/day
360 kW x 30 days = 10,800 kW / mos

- Oahu \$.1896/kw = \$2048/mos savings
- Maui \$.2732/kWh = \$2951/mos savings
- Hawaii \$.3262/kWh = \$3,526/mos savings
- Kauai \$.32557/kWh = \$3,516/mos savings

*rates based on 2007 Schedule "G" rates

 Bank of Hawaii
Corporation

Power Purchase Agreement



Courtesy SunEdison LLC

 Bank of Hawaii
Corporation

Power Purchase Agreements

Commercial customers in Hawaii are being offered PV electricity from 3rd party system owners at \$.21/kWh with 1 or 2% escalation factors and 10 or 20 year terms.

Steve Burns, HECO